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Industrial Development Board

Twenty-third session

SUMMARY RECORD OF THE 4th MEETING

Held at the Vienna International Centre, Vienna,
on Wednesday, 15 November 2000, at 3 p.m.

President: Mr. ORTIZ (Spain)

CONTENTS

Agenda item		*Paragraphs*
7	UNIDO Global Environment Facility activities (*continued*)	1 – 19
8	Operational activities for development	20 – 33
9	Proposed international centre for sustainable industrial development	34
11	Matters related to intergovernmental, non-governmental, governmental and other organizations	35 – 36
12	Preparations for the ninth session of the General Conference	37 – 41
13	Provisional agenda and date of the twenty-fourth session	42 – 43

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The meeting was called to order at 3.15 p.m.

UNIDO GLOBAL ENVIRONMENT FACILITY ACTIVITIES (*continued*) (IDB.23/11)

1. **Mr. NOWOE** (Nigeria), speaking on behalf of the African Group, welcomed the decision of the Council of the Global Environment Facility (GEF) to include UNIDO as an executing agency. He would encourage GEF and UNIDO to establish a good working relationship without further delay and urge the Secretariat to strengthen its capacity for environmental activities. In that connection, his Group requested the Secretariat to focus on the African continent's special urgent needs by formulating and implementing environmental programmes of regional scope. While the project for the Guinea Current ecosystem was welcome, it must be implemented, and the countries concerned should take the lead in mobilizing the necessary resources.

2. UNIDO was also encouraged to identify appropriate options in response to new business opportunities arising from the United Nations Framework Convention on Climate Change and the Kyoto Protocol mechanism.

3. The African Group welcomed the restructuring of the Organization as well as the approach of providing comprehensive and integrated services to Member States and the strengthening of field representation. UNIDO should continue to accord priority to the needs of developing countries, particularly the least developed countries (LDCs). The African Group appreciated the cooperation between the Organization and the Conference of African Ministers of Industry (CAMI).

4. Speaking on behalf of Nigeria, he welcomed activities by the Organization to enhance cooperation with GEF, such as visits to Nigeria and other developing countries and the organization of the first awareness workshop for UNIDO representatives in the Nigerian capital in October 2000. He asked UNIDO to continue such efforts, particularly in his subregion. Industrialization was a key element in the promotion of sustainable development, the creation of employment, the eradication of poverty, social integration and the involvement of women in the development process. Member States were strongly urged to give the Organization the necessary financial and political support.

5. **Mr. SRINIVASAN** (India) said that UNIDO's role was that of a global provider of technical cooperation services in the industrial field and a global forum for the exchange of knowledge relating to the industrial development process. India supported the Organization's involvement in identifying and implementing GEF projects and welcomed its efforts to create awareness of GEF objectives. Although developing countries had the same environme concerns as developed nations, budgetary constra limited their capacity to take those concerns adequa into account. The activities of UNIDO in that area w a significant help.

6. India was an important beneficiary of GEF Montreal Protocol projects. It welcomed the re approval of a GEF project on coal-bed meth recovery for India. However, it considered that delay the approval of proposed GEF-funded projects nee to be considerably reduced, through greater interac with member countries and implementing agencies. success of regional cleaner production centres in I had encouraged the private sector to devote resource its own to the introduction of environmentally frie practices.

7. Draft proposals for projects in India relatin industrial boiler efficiency and co-generation in cement industry had been submitted to UNIDO possible GEF funding. Technical teams to prepare project proposals had already been recruited. W regard to the industrial boiler project, a mission been organized in May 2000 with the participatio local and government officials and representative associations of industrial boiler manufactu Nonetheless, faster progress needed to be made such projects.

8. Under a project relating to construction mate technology developed in India for the manufactur cheaper and more durable and environmentally frie material for building houses was being success transferred to some African countries. The In Government was ready to work with UNIDO expanding the coverage of the project.

9. **Mr. KAMOHARA** (Japan) said that environment was a very important dimensio industrial development. As a country which bore 2 cent of total GEF costs, Japan welcomed UNI participation as an executing agency for GEF acti and hoped that through those activities, give experience and expertise, the Organization would an important contribution to the global environmen

10. **Mr. HALHOUL** (Morocco) welcomed decision of the GEF Council to include UNIDO executing agency. That would enable Member Sta benefit from GEF funding for the preparation of pr and make it possible to strengthen the expertise Organization in sustainable industrial developmen the protection of the environment.

11. **Mr. RAMIREZ GASTON** (Peru), speaki behalf of the Group of 77 and China, exp satisfaction at the dynamic approach adopted b Secretariat in following up General Confe

resolution GC.8/Res.2. He welcomed the decision of the GEF Council to include UNIDO and the Food and Agriculture Organization (FAO) as executing agencies. Expressing appreciation of the initiatives taken by the Organization to enhance its activities with GEF, he urged the Secretariat to pursue such efforts bearing in mind implementation capacity.

12. Speaking as the representative of Peru, he noted the information on GEF-related activities contained in document IDB.23/11. One of the major problems facing UNIDO was the scarcity of resources for technical cooperation, and its participation as an executing agency for GEF would ensure direct access to funds for the preparation of GEF-related technical cooperation projects.

13. The transfer of technology relating to the environment was a global endeavour calling for the support of the whole United Nations system. No agency was better placed than UNIDO to help overcome the barriers that existed in the global technology market so that world goals with respect to climate change and the reduction of carbon dioxide emissions could be fulfilled.

14. **Mr. SUN Yongfu** (China) said he was pleased that UNIDO had become an executing agency for GEF; that would open up new opportunities for development cooperation and broaden the scope of the Organization's activities. China supported all UNIDO's activities with respect to the environment, including recent initiatives in connection with the United Nations Framework Convention on Climate Change. China had already cooperated successfully with the Organization on projects under the Montreal Protocol and hoped that such cooperation would be further strengthened in future.

15. **Ms. NTS'INYI** (Lesotho) said that South Africa was an active member of the South African Development Community (SADC), and its admission to UNIDO would give the southern African subregion an additional voice in the Organization. She appreciated the importance of GEF funding for UNIDO's technical cooperation activities and welcomed the discussions under way between UNIDO and the Danish Government in the area of persistent organic pollutants (POPs).

16. In keeping with the Business Plan on the Future Role and Functions of UNIDO, Lesotho could also benefit from GEF activities through the implementation of its integrated programme. The fact that only one of the 11 integrated programmes developed for Africa was for the southern African subregion was a matter of some concern—the efficiency of the Organization would be gauged by the successful implementation of integrated programmes in all recipient Member States. She therefore urged the Organization to focus greater attention on the subregion.

17. **Mr. EGLER** (Switzerland) said he supported closer cooperation between UNIDO and GEF. In such cooperation, UNIDO's National Cleaner Production Centre Programme might be a key element. Switzerland had always maintained that UNIDO must promote not just industrial development but clean and sustainable industrial development—that was where its comparative advantage lay. Cleaner production and waste minimization, one of the most important areas in which UNIDO was currently engaged, were important factors in sustainable industrial development. The United Nations Commission on Sustainable Development laid stress on the role of National Cleaner Production Centres (NCPCs) as an important mechanism for pursuing sustainable development. NCPCs would also be a useful tool for the implementation of existing and future international environmental treaties, including the proposed convention on persistent organic pollutants. The potential role of NCPCs in the implementation of the Kyoto Protocol clean development mechanism had been discussed at the preparatory meetings for the Sixth Conference of Parties to the United Nations Framework Convention on Climate Change that was under way in The Hague.

18. **Mr. ZEWDIE** (Ethiopia) welcomed the involvement of the Organization in GEF activities. It would fill a gap felt by those least developed countries (LDCs) that were currently unable to meet the requirements for the approval of project funding. Where necessary, UNIDO would be expected to provide assistance to some LDCs in the preparation of project proposals, whereas for other countries it might merely serve as a channel for funding. What was important was that cooperation with GEF should make a real difference in technical cooperation activities in those countries.

19. **Mr. D'AMBROSIO** (Managing Director, Sectoral Support and Environmental Sustainability Division) observed that there was a great deal of support for UNIDO cooperation with GEF. It should be remembered that GEF never provided all the funds for projects—they were implemented on a cost-sharing basis. India, having accepted that principle from the outset, was currently one of the countries benefiting the most from GEF-funded projects. The representative of India was not alone in his concern about delays in project implementation. In fact that concern had been a determining factor in the GEF Council decision to expand the number of executing agencies. In order to avoid any duplication of efforts, executing agencies would have direct access to the GEF Secretariat. So the problem of delays in project implementation should shortly be resolved. In conclusion, he endorsed the

remarks made about the worldwide relevance of GEF and environmental issues.

OPERATIONAL ACTIVITIES FOR DEVELOPMENT (IDB.23/14)

20. **Mr. RAMIREZ GASTON** (Peru), speaking on behalf of the Group of 77 and China, urged the Director-General to provide in future annual reports the information that was requested by General Assembly resolution 53/192, concerning the triennial policy review of operational activities for development of the United Nations system. One of the most important tasks of the United Nations development agenda was to address the link between globalization and marginalization, emphasized during the recent Millennium Summit in New York. The Group of 77 and China welcomed the Organization's efforts to enhance the role of industry in the developing countries with a view to improving their productivity and competitiveness and ensuring their access to the global market. Moreover, in line with a draft resolution currently before the General Assembly on industrial development cooperation, UNIDO, in cooperation with other organizations of the United Nations system, should continue to assess and disseminate information on best practices in the area of industrial policies and strategies and lessons learned in industrial development, taking into account the effects of financial crises and the impact of globalization on the industrial structure of developing countries, and support South-South co-operation by providing ideas for industrial development cooperation and for economic and technical cooperation among developing countries. Donors were urged to provide adequate financial support to enable UNIDO to fully implement its portfolio of integrated technical cooperation programmes and to strengthen its global forum activities.

21. **Ms. HALABI** (Syrian Arab Republic) said that the Director-General's report on operational activities for development (IDB.23/14) contained proposals that would assist developing countries and economies in transition in adopting the reforms that would give them access to world markets.

22. A revitalized UNIDO would help to eliminate poverty and overcome underdevelopment. To enable the Organization to perform its tasks, she called upon Member States to pay their assessed contributions in full and on time and pay off their arrears, and to increase their voluntary contributions.

23. The Syrian Arab Republic was interested in modernizing its industry and encouraging foreign investment in the development of Syrian exports. In that connection, she hoped that all the proposals discussed during the recent visit of the Director of the UNIDO Arab Bureau to Syria would be implemented—in particular, support for the completion of Syria's industrial database.

24. Her Government favoured an enhanced role for UNIDO and hoped to increase its cooperation with the Organization.

25. **Ms. ZIADE** (Observer for Lebanon) thanked the Director-General for the work he had done to safeguard the functioning of the Organization in very difficult financial circumstances, and for his informative introductory statement.

26. The integrated technical cooperation programme for Lebanon had recently been adopted and funds earmarked for it. Lebanon attached great importance to the implementation of the programme because it believed that sustainable economic development was the main engine of the economy and would help boost productivity and increase competitiveness on world markets.

27. A UNIDO regional office had opened in Lebanon, with limited staff, in 1998. It was already playing an active role. The Lebanese Government called on UNIDO to strengthen the office. Its geographical location and the fact that many other United Nations offices had been established in the area made it a good focal point for operational activities for development for the benefit of the whole region.

28. **Mr. BONEV** (United Nations Development Programme (UNDP)) said, with respect to the funding of operational activities, that official development assistance (ODA) had shrunk in the last few years. Funding of United Nations multilateral programmes had suffered particularly as voluntary assistance was the easiest for Governments to cut when budget reductions were needed. In UNDP, whereas non-core resources were increasing, core resources had that year reached their lowest level—under 700 million dollars compared with 1.1 million dollars a few years previously. In the light of the financial crisis, a ministerial meeting on the future of UNDP had been held on 11 September 2000—the first ever in the history of the organization. Many high-level representatives from programme and donor countries had come together to talk about the role, performance and future of UNDP. The irony of UNDP's declining resource base in the context of the emerging global consensus around the campaign to end world poverty had been highlighted.

29. The resource situation of UNDP had been the major issue discussed. The good news was that a number of donor Governments had committed themselves to seeking increased levels of core and non-core resources in 2001. Sweden had announced an additional contribution of 3.3 million dollars to core resources for the year 2000 as well.

30. The true impact of the meeting would become apparent in the months ahead, but UNDP was confident that the meeting represented a major step towards regaining for its work the political support and attention that it deserved.

31. Turning to the question of UNIDO participation in the coordination mechanism of the United Nations system, the Chairman of the United Nations Development Group (UNDG) had asked him to express appreciation for the very productive working relations that had been maintained between UNIDO and UNDG through the Consultative Committee on Programme and Operational Questions (CCPOQ) and its working groups. As work proceeded with the United Nations common country assessments, United Nations Development Assistance Frameworks (UNDAFs) and initiatives to encourage joint programming, close collaboration with UNIDO was vital. UNDG believed that UNIDO had a vital role to play in such endeavours, aimed at strengthening the impact of the development work of the United Nations system at country level in support of national development priorities.

32. The UNDG Chairman also acknowledged UNIDO's strong commitment to the strengthening of the Resident Coordinator system, and hoped that the cooperation between UNDG and UNIDO would be further developed for the benefit of all countries.

33. While UNDP was no longer a major funding source for UNIDO, the Organization remained one of its major partners. The secretariats of both organizations were taking the necessary steps to ensure that their collaboration would take new forms corresponding to the aspirations and the new visions of their constituents.

PROPOSED INTERNATIONAL CENTRE FOR SUSTAINABLE INDUSTRIAL DEVELOPMENT (IDB.23/13 and Add.1)

34. **The PRESIDENT** recalled what had been said at the first meeting, during the discussion of the agenda, regarding the proposed international centre for sustainable industrial development (see summary record IDB.23/SR.1, paragraph 9).

MATTERS RELATED TO INTER-GOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS (IDB.23/1/Add.1)

35. **The PRESIDENT** noted that no request for the floor had been received and suggested that the Board should take note of the documentation provided by the Secretariat on the item.

36. *It was so decided.*

PREPARATIONS FOR THE NINTH SESSION OF THE GENERAL CONFERENCE (IDB.23/CRP.3)

37. **Ms. ORLOWSKI** (Secretariat) drew attention to the conference room paper on the preparation of the provisional agenda for the ninth session of the General Conference, scheduled to be held from 3 to 7 December 2001 (IDB.23/CRP.3).

38. No decision concerning the provisional agenda for the General Conference was required at the present session, but the Board might wish to have an indication of items that might be included, to facilitate the planning of Member States for the next session of the Industrial Development Board, for which the dates 19 to 22 June 2001 had been reserved. At that time the provisional agenda for the ninth session of the General Conference would have to be adopted.

39. Some of the items listed in the annex to document IDB.23/CRP.3 were mandated by rules or regulations, but those marked with an asterisk had been proposed as possible matters for discussion in view of their importance in the context of future work and of the Business Plan on the Future Role and Functions of UNIDO.

40. **The PRESIDENT**, noting that there were no comments, suggested that the Board should take note of the information provided by the Secretariat.

41. *It was so decided.*

PROVISIONAL AGENDA AND DATE OF THE TWENTY-FOURTH SESSION (IDB.23/CRP.2 and CRP.4)

42. **The PRESIDENT** said that the question of the provisional agenda and date of the twenty-fourth session of the Board was being dealt with in informal consultations.

The meeting was suspended at 4.05 p.m. and resumed at 4.40 p.m.

43. **The PRESIDENT** said that informal consultations were still continuing, and the discussion would resume at the following meeting.

The meeting rose at 4.45 p.m.